



February 14, 2005

New Jersey Board of Public Utilities:

Center for Resource Solutions respectfully submits these comments on the “Voluntary Green Power Choice Program: Framework and Design, Business Rules, Technical Standards.” We have been actively involved in the development of this document, as we were hired as technical consultants and drafted the first iteration of this document in May 2004. While CRS has provided comments since that time on a number of topics related to the Green Power Choice Program, we limit these comments to issues related to certification and verification.

Third Party Certification and Verification Prior to PJM-GATS Operations

Verification of generation sources, accounting, tracking, and prevention of double counting of renewable energy attributes are important functions that underlie the success of the NJ Green Choice Program. The Mid Atlantic region or PJM Interconnection does not currently have a renewable energy attribute accounting platform such as the NEGIS or Texas ERCOT. PJM is developing a Generator Attribute Tracking System (GATS), but it is not know when it will be operational. In the interim, a third party certification verification platform is needed for ensuring that NJ Green Choice options meet all program requirements and best practices including:

1. Each REC supplier has purchased sufficient quantities and eligible types of RECs to meet its program offerings.
2. The electrical energy that was generated with the renewable attributes was delivered into the PJM grid and was sold as and accounted for as undifferentiated generic electricity devoid of any environmental benefit.
3. The renewable attributes or the electrical energy that was generated with the renewable attributes was not used to meet any federal, state or local renewable energy requirement, renewable energy procurement, renewable portfolio standard, or other renewable energy mandate.
4. The RECs are generated within the acceptable “true-up period” or “freshness period” in relation to date of purchase.
5. All the renewable attributes, including any applicable emission reduction credits or allowances represented by the electricity generation were transferred to the end-use customer.
6. No REC is sold to or claimed by more than one entity.
7. Each REC provider adhered to all disclosure and marketing requirements and other requirements as requested by the NJ BPU and consistent with National Attorneys General Association *Environmental Marketing Guidelines for Electricity*.
8. Each REC provider shall agree to conduct an annual independent verification of product sales and purchases.



Green-e certification and verification currently provides all the above services and we know of no other program in operation that provides these services. Should an equivalent program present it self to the NJBPU it would be appropriate to establish criteria to assess the equivalency of alternative certification and verification programs. CRS would be happy to assist NJBPU with development of such criteria to support a level playing field in the provision of third party certification and verification.

Product Verification When PJM-GATS is Operational

The Draft Proposal states that “Once the PJM GATS is operational and PJM Interconnection begins issuing class I and class II RECs, the Board may issue an Order approving use of class I and class II RECs issued by PJM Interconnection for compliance with this Program” and we support the use of GATS RECs for supply of the Green Power Choice program. However, GATS will be a wholesale tracking system, and the Green Power Choice document is not clear on how verification of retail sales will be performed. The operation of GATS and use of GATS RECs will not ensure that customers are getting what they pay for, nor does it ensure that marketers are meeting the other requirements of the Green Power Choice program.

Tracking systems such as GATS do not perform functions related to retail supply, including ensuring that renewable energy sales to individual customers are met by promised product content. This is because individual electricity customers do not have accounts with GATS. Nor do tracking systems provide the other non-supply verification functions needed by the Green Power Choice program, such as assuring that customers are billed correctly for their products, and that customers are adequately informed about the products they are purchasing. The Office of Clean Energy needs to be clear on how verification will be performed in the short term and long term to ensure that customers are receiving what they pay for –and to our knowledge GATS alone will not provide this service.

Green-e Equivalent

Green-e certification is referenced in the sections on “Product Standards and Eligible Resource” and “Product Certification and Verification”. One reads “... third party verification program such as Green-e or an equivalent program...” and the other “...organization such as Green-e.”

To our knowledge, no program exists that positioning itself as an equivalent to Green-e. We believe that New Jersey’s renewable energy customers would suffer if marketers were allowed to substitute lesser certification standards for Green-e certification and verification. For example, Green-e Certification includes the following:

- Annual audit to ensure that customers get what they pay for, based on proven verification protocol that are publicly available.
- Marketing materials compliance review to ensure that potential customers get accurate information, and that marketers comply with best marketing practices as articulated by the National Association of Attorneys General.
- Green-e staff anonymously calls the call center of marketers of Green-e certified products to ensure that they are providing adequate and accurate information about their products.



P.O. Box 29512 • Presidio Building 97 • San Francisco, CA 94129

Tel: 415/561-2100; Fax: 415/-561-2105

- All Green-e RECs must be from facilities brought online after January 1, 1997.
- Green-e will not certify RECs used to meet Renewable Portfolio Standards or other mandates.
- Green-e has requirements related to the information that must be provided to customers at the time of sign-up and other disclosure requirements.
- Green-e requires that certified renewables meet our “freshness” requirements.
- Green-e requires that certified RECs convey environmental attributes to the consumer.
- Green-e has the support of a number of leading environmental organizations.

We believe that the NJ BPU should either require Green-e certification and verification, or make clear what you would consider to be an equivalent to Green-e certification and verification.

We believe the issues identified above are critical to ensuring that the Green Power Choice program is successful and abides by best practices in the industry. Thanks for this opportunity to comment.

Sincerely,

Dan Lieberman
Director of Clean Energy Policy Design and Implementation